

## Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 ISO-00 EA-12 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-01 H-02 INR-10 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01  
DOE-15 /134 R

DRAFTED BY:EB/OT/STA:WTDIROLL:CMS  
APPROVED BY:EB/OT/STA:JSSPIRO  
EA/EP:DSTEBBING  
EA/ROC:WLUNDY  
EZ/K:DBLAKEMORE

-----085760 281408Z /75

R 272304Z APR 78  
FM SECSTATE WASHDC  
TO AMEMBASSY SEOUL  
AMEMBASSY TAIPEI  
AMEMBASSY TOKYO  
AMEMBASSY PARIS  
AMEMBASSY BRUSSELS  
AMEMBASSY BONN  
AMEMBASSY LONDON  
AMEMBASSY COPENHAGEN  
AMEMBASSY THE HAGUE  
AMEMBASSY STOCKHOLM  
AMEMBASSY DUBLIN  
USMISSION GENEVA  
AMCONSUL DUSSELDORF

UNCLAS STATE 108251

USOECN/USEEC

C O R R E C T E D C O P Y (BRUSSELS OMITTED AS ADDEE)

E.O. 11652: N/A  
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TAGS: ETRD

SUBJECT: STAINLESS STEEL TABLE FLATWARE--USITC VOTES  
REMEDY OF INCREASED TARIFFS

REF: STATE 87866 (NOTAL)

1. IN REFTTEL WE ADVISED THAT ON APRIL 4 THE USITC HAD FOUND, BY A VOTE OF 4 TO 2, THAT INCREASED IMPORTS ARE A SUBSTANTIAL CAUSE OF SERIOUS INJURY TO THE DOMESTIC INDUSTRY AND WOULD MEET AT A LATER DATE TO CONSIDER PROPOSALS FOR REMEDIAL ACTION. ON APRIL 26 THREE OF THE FOUR COMMISSIONERS MAKING THE AFFIRMATIVE DETERMINATION (AS WELL AS ONE WHO HAD DETERMINED IN THE NEGATIVE) VOTED TO PROPOSE TO THE PRESIDENT THAT HE PROVIDE IMPORT RELIEF IN THE FORM OF INCREASED TARIFF RATES FOR A PERIOD OF FIVE YEARS. THE PROPOSED NEW INCREASED RATES ARE AS FOLLOWS:

A. KNIVES AND FORKS VALUED AT LESS THAN 25 CENTS EACH  
(TSUS ITEMS 650.08, 650.10, 650.38 AND 650.40)

FIRST YEAR--ONE CENT EACH PLUS 55 PERCENT AD VALOREM  
SECOND YEAR--ONE CENT EACH PLUS 50 PERCENT AD VALOREM  
THIRD YEAR--ONE CENT EACH PLUS 45 PERCENT AD VALOREM  
FOURTH YEAR--ONE CENT EACH PLUS 40 PERCENT AD VALOREM  
FIFTH YEAR--ONE CENT EACH PLUS 30 PERCENT AD VALOREM

B. KNIVES AND FORKS VALUED AT 25 CENTS OR MORE (TSUS  
ITEMS 650.09, 650.12, 650.39 AND 650.42).

FIRST YEAR--ONE-HALF CENT EACH PLUS 55 PERCENT AD VALOREM  
SECOND YEAR--ONE-HALF CENT EACH PLUS 50 PERCENT AD VALOREM  
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THIRD YEAR--ONE-HALF CENT EACH PLUS 45 PERCENT AD VALOREM  
FOURTH YEAR--ONE-HALF CENT EACH PLUS 40 PERCENT AD VALOREM  
FIFTH YEAR--ONE-HALF CENT EACH PLUS 30 PERCENT AD VALOREM

C. SPOONS AND LADLES VALUED LESS THAN 60 CENTS EACH  
(TSUS ITEMS 650.54 AND 650.55)

FIRST YEAR--55 PERCENT AD VALOREM  
SECOND YEAR--50 PERCENT AD VALOREM  
THIRD YEAR--45 PERCENT AD VALOREM  
FOURTH YEAR--40 PERCENT AD VALOREM  
FIFTH YEAR--30 PERCENT AD VALOREM

FOOTNOTE: SPOONS AND LADLES ARE NOT SUBJECT TO COMPOUND RATES.

D. ARTICLES IMPORTED IN SETS (ITEM 651.75) WOULD BE DUTIABLE AT THE RATE OF DUTY APPLICABLE TO THAT ARTICLE IN THE SET SUBJECT TO THE HIGHEST RATE OF DUTY.

2. THE FOURTH COMMISSIONER MAKING AN AFFIRMATIVE DETERMINATION VOTED TO PROPOSE THAT THE PRESIDENT IMPOSE A

TARIFF RATE QUOTA OF 480 MILLION SINGLE UNITS (40 MILLION DOZEN) APPLYING TO KNIVES, FORKS, SPOONS AND LADLES VALUED LESS THAN FIFTY CENTS EACH FOR A PERIOD OF THREE YEARS ALLOCATED BY COUNTRY. THE PROPOSED COUNTRY ALLOCATIONS, IN MILLION SINGLE UNITS, ARE AS FOLLOWS:

JAPAN--217  
KOREA--121  
TAIWAN--125  
EC--5  
OTHER--12

IMPORTS OF KNIVES, FORKS, SPOONS AND LADLES WITHIN THE TARIFF QUOTAS WOULD CONTINUE TO BE SUBJECT TO THE UNCLASSIFIED

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EXISTING RATES OF DUTY APPLYING TO THE ENTRY OF EACH SUCH ARTICLE AND IMPORTS IN EXCESS OF THE COUNTRY ALLOCATIONS

AT RATES INCREASED THE MAXIMUM EXTENT PERMITTED BY SECTION 203(D)(1) OF THE TRADE ACT OF 1974 (NOT MORE THAN 50 PERCENT AD VALOREM ABOVE THE EXISTING RATE).

3. ACCORDING TO A USITC SOURCE, IMPLEMENTATION OF THE COMMISSION REMEDY WOULD, IN THE AGGREGATE, HAVE THE EFFECT OF INCREASING THE AVERAGE AD VALOREM EQUIVALENT OF THE RATES OF DUTY APPLYING TO THE VARIOUS CATEGORIES OF STAINLESS STEEL FLATWARE FROM SEVENTEEN TO NEARLY SIXTY PERCENT.

4. COMMISSION NOW EXPECTED TO TRANSMIT ITS REPORT TO THE PRESIDENT WEEK OF MAY 2. COPY WILL BE AIR POUCHED AS SOON AS AVAILABLE. VANCE

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STAINLESS STEELS, TARIFFS  
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**Copy:** SINGLE  
**Draft Date:** 27 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
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**Disposition Comment:**  
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**Disposition Event:**  
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